

JAPAN TRADE AND INVESTMENT MISSION

Tasmanian Forestry Industry Presentation Dinner - 7 March 2019

“Tasmanian forest industry and the growth of private forestry”

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1. *Objective*

To provide an update on Tasmania’s forest industry, the growing role of private forests in Tasmania’s export market, and future investment opportunities.

2. *Main points*

Private Forests Tasmania is an independent statutory authority of the Tasmanian Government.

Our organisation is **not** a government business enterprise, so we do not grow, buy or sell wood directly. We are a government authority with a legislated role to facilitate and expand the development of our private forest resource. We do this mainly through providing information and advice to private growers and their markets, through research, innovation and planning tools, and by providing practical policy advice to our Tasmanian and Australian governments.

Tasmania’s forests cover 3.4 million hectares, nearly half the land area of our State. Over half of these forests are protected in Tasmania’s comprehensive reserve system. Some 800,000 hectares are in publicly owned production forests and over 1 million hectares are privately owned or managed.

Our private forests now dominate our productive capacity, and this capacity is growing. Last year the total private forest harvest rose for the sixth consecutive year, increasing a further 9% increase on the previous year to supply 4.25 million tonnes of logs to market. This is four times the volume produced from private forests in 2011-12 and takes the private forest cut to nearly 75 per cent of the total harvested volume of timber resource in Tasmania.

Plantations currently account for 97% of the total Tasmanian private forest harvest. All our industrial private plantations have achieved certification under one or both of the internationally recognised Responsible Wood or Forest Stewardship Council schemes – providing a sustainable, unpolluted and uncontested supply of quality resource. While some forest resource and processing facilities have been damaged, the impacts of the recent severe fires in Tasmania has affected less than 2 per cent of the private plantation resource. So the fires have not significantly impacted Tasmania’s current supply of certified private plantation timber.

The productive capacity of our private forests is yet to be fully realised. While our industrial scale plantations have largely stabilised in terms of area planted, there remain substantial opportunities for our rural producers to plant woodlots and shelterbelts to augment farm income and to benefit agricultural productivity. We see this as one pathway to investment in more wood and fibre resource in Tasmania.

However, an even greater opportunity for growth is our private native forests. We have over half a million hectares of these forests potentially available for wood production. With umbrella certification schemes available for such forests in Tasmania, here is a large,

currently under-utilised, sustainable resource. With the projected quadrupling of global demand for timber products by 2050, there is enormous potential for this native forest estate to provide opportunities for investment.

At this point a bioenergy project and its proponent on the Trade Mission was introduced.

The bioenergy project is representative of the evolution of the Tasmanian forest industry – to one that recognises the importance of renewable energy and the role that wood fibre clearly has to play in implementing climate change and carbon emission reduction policies. This includes the role of the forest industries and the value of forest products of storing carbon and offsetting emissions from other carbon intensive materials like plastics, metals and concrete. Wood is, after all, the ‘ultimate renewable’.

This is a key factor driving innovation in Tasmania’s forestry sector. Strategic investment by industry and through partnerships with the Tasmanian and Australian Governments – such as the National Institute for Forest Products Innovation – are continuously improving our production capacity, product diversification and improving handling and logistics costs.

All of these approaches are strongly supported by the forestry growth policies of both our Tasmania and Australian Governments.

Just this week our Tasmanian Government has announced several targeted investments and commitments that will assist our southern forest sector. These decisions have been informed by extensive analysis and consultation on options for maximising the benefits of residues from our established wood sector in the south.

This includes a commitment recognising that Macquarie Wharf remains a critical outlet for wood products from the Southern Forests. The Government has committed to maintaining the availability of the working port at Macquarie Wharf for break-bulk and containerised wood products and recognises the importance of planning to ensure continued unimpeded access to the port for heavy vehicles into the future.

The Tasmanian Government has also announced that it is working with TasRail to increase both the capacity and efficiency of moving forestry freight from south to north including a new Loading Facility at Parattah (near Oatlands). When opened it will provide a new dedicated facility to load wood from the south-east forests. This initiative directly integrates with the northern Tasmanian Forestry Hub recently announced by our Prime Minister.

3. *Concluding remarks*

The reliability of supply of uncontested wood from sustainably managed, internationally certified forests, underpinned by clear support for growth by our Tasmanian and Australian Governments, have substantially reduced sovereign risk for investors in private forestry in Tasmania. Private forests dominate Tasmania’s wood supply and have great potential for further growth and future investment.

Forestry participants on the trade mission then had an opportunity to talk for a couple of minutes each on their particular interests.